

THE YEAR.

CIRCUIT OF THE WORLD'S HISTORY.

POLITICAL REVOLUTION IN THE UNITED STATES
—GENERAL BUSINESS WELL-SUSTAINED—TWO GREAT ENGLISH MEASURES—DEATH OF TWO HOHENZOLLERNS—DEVELOPMENT OF MILITARISM AND BOULANGISM.

In a year when Europe was concerned chiefly with the personal fortunes of sovereigns, statesmen and political adventurers, the American people have taken into their own hands the scales of their industrial destiny, and weighing democracy in the balance with the country's interests, have found it wanting. This political revolution has been a triumph of self-government, achieved without causing undue strain to republican institutions nor seriously disturbing the volume of general business. Abroad militarism is still rampant, Germany, Austria-Hungary and France having greatly increased their armaments. Two Hohenzollerns have been followed to the grave. Leo XIII. has celebrated his golden jubilee and the Emperor of Austria the fortieth anniversary of his coronation. While Mr. Gladstone has been struggling almost single-handed to accomplish Ireland's political redemption, the Salisbury Government has held its ground and enacted two great legislative measures. In France Boulangerism has become a formidable political power, menacing the existence of the Republic. Russia's credit has improved in Paris, but its prestige in Southeastern Europe is steadily declining.

UNITED STATES.

The most impressive event of the year is the political revolution wrought by the suffrages of nearly eleven millions of citizens in America. President Cleveland was personally responsible for his own defeat. He never avowed himself to be a Free Trader, but as his English admirers incautiously admitted, his message was redolent of Cobdenism, and portions of it read like extracts from Mr. Bright's earliest speeches. It was a challenge to the Republican party which had built the industries of the country upon the rock of protection. It was a warning that the Democratic party, if it were suffered to remain in power, would pull down the tariff walls and seek to rebuild them on the shifting sands of free trade. The people assembled in National parliament, after free debating economic questions for ten months, rejected the President's proposals and restored the Republican party to power.

The President's new issue had the field and blocked all legislation, although Congress remained in session until October 29. It was not until March 1, and only after two months of secret conference, in which the Republican colleagues had no share, that the seven Democratic members of the Committee of Ways and Means brought to light the Mills bill. On April 2 it was reported to the House and debated for several weeks. The speakers on the Democratic side with few exceptions making no attempt to conceal their sympathy with free trade. The Sugar Trust was consulted by the leaders, and the Whiskey Trust played a great part in the conspiracy against American industry, a repeal of the internal revenue laws being fatal to its interests. A series of amendments adopted in secret caucus were the only changes ordered by the House, and these were largely the result of bargains. Mr. Randall spoke against the bill, but Democratic opposition was broken down by the patronage and powerful influence of the Administration. The bill passed the House July 21 by a party division of 162 to 149, only three Republicans voting for it and four Democrats against it. From the South and Southwest there were 38 votes for and 12 against it; from the West and Northwest, 42 for and 18 against it; from the Middle States and New-England, 35 for and 63 against it; from the Pacific States, 2 for and 6 against it.

During this protracted period the Senate had been sending measures by the score to be buried by the committees of the lower house. Among them were the Blair Education, Dependent Pension, International Copyright, and Dakota bills. Very little legislation of importance was enacted apart from the appropriation bills, which heavily reduced the surplus revenues. The House, when it was not discussing the tariff, was frittering away time in a week's deadlock over the bill for refunding the direct tax of 1861, or in equally wasteful methods. The Senate, after receiving the Mills bill, occupied the remainder of the session in the preparation of a substitute for it. The additions to the statutes were exceedingly meagre, comprising a bill providing for the purchase of United States bonds and authorizing the Secretary of the Treasury to apply surplus revenues for that purpose; a Labor Arbitration Act, a tentative Fortifications and Armaments bill, and another for the increase of the Navy; amendments to the Interstate and Presidential Court Acts; and other measures of minor importance. The reports of the Pacific Railway Commission presented to Congress with an Executive Message deprecating any arrangement for placing the roads in the possession of the Government involved no legislation.

MEANWHILE, THE PRESIDENT WAS IN THE field for re-nomination without rival anywhere in sight. He had strengthened his influence in the South by promoting Secretary Lamar to the Supreme bench, the Senate confirming the nomination by a vote of 32 to 28, three Republicans siding with the Democrats. This was the first time that body had ever been divided on party lines on a question of confirming an appointment for that court. Subsequently Melville W. Fuller was nominated and confirmed as Chief Justice. The Cabinet was reorganized by the transfer of Mr. Vilas to the Department of the Interior and the appointment of Den M. Dickinson, an experienced politician, as Postmaster-General. Civil Service Reform went begging and a general clearance was made of the patronage remaining at the disposal of the President. "The condition that confronts us" and "the tariff is a tax" were the new conjuring phrases. The Democratic House had loyally supported the President's policy and embodied his crude economic theories in the Mills bill. The party was equally submissive when it met in June at St. Louis. In its platform it accepted his message as the correct interpretation of the tariff struggle adopted by it in 1884, and renominated him by acclamation. He had already selected Judge Thurman as his associate on the ticket, disappointing the ambition of Governor Gray of Indiana. When his will was registered by the Convention, the redemption of the country from the evils of excessive taxation was proclaimed as the glorious mission of the Man of Destiny and the Noble Old Roman. Judge Thurman's services had only received recognition for the purpose of dignifying the scandalous telephone suits instituted by the Department of Justice, described by Mr. Randall as the Sink of Justice. The United States Supreme Court had rendered in March a decision covering all issues of law and fact and confirming the Bell patents. Judge Thurman after his nomination appeared for the Government and the telephone speculators, and secured the privilege of reopening the case in Boston.

The Republicans had a cause that was "stronger than any candidate," but the desire for the re-nomination of Mr. Blaine was irresistible. He had written a letter in February from Florence refusing to have his name presented to the Convention, but delegates known to favor his nomination were elected everywhere. A positive refusal was General Sheridan removed an available candidate, and the choice of Mr. Blaine was generally conceded as inevitable when a second and more emphatic refusal to accept the nomination was conveyed in a letter to Mr. Blaine. The Convention met in June at Chicago. With a dozen favorite sons scrambling for the nomination, for several days there was ballot-

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From the outset the stars seemed to be fighting for the Republican cause. The preliminary State elections resulted unfavorably for the party in power. Rhode Island in April and Oregon on the eve of the re-nomination of the President were carried by the Republicans with heavy gains. Mr. Blaine returned from Europe, was received with great enthusiasm and took an active part in the canvass in various Northern States. General Harrison himself materially strengthened his canvass by a series of judicious speeches in Indianapolis. In New-York the party had distinctively moral issues to present to the consciences of voters. The vetoes of the High-Licens, and Sixteen bills by Governor Hill brought temperatures and ballot reform into the canvass with Warner Miller as the representative of the churches against the saloons. Through the agency of the National League campaign clubs multiplied in every State. Protection was made an issue of commanding importance, and was advocated without equivocation East and West. The Democratic leaders on the other hand, finding themselves embarrassed by the support of the English press and the outspoken utterances of Southern orators in doubtful States, sought to evade responsibility for the controversy between Free Trade and Protection which the President had brought on. They induced their aged candidate for the Vice-Presidency to swing round the circle in order to revive the enthusiasm of the rank and file of the party and to counteract the personal unpopularity of the President, and had recourse to every expedient for breaking the force of the argument based upon English sympathy for the Democratic cause. The Sackville incident at the close of the canvass illuminated the political situation and baffled the most ingenious efforts of partisans to explain away the notorious fact that the leading free-trade country of the world, animated by self-interest, was hoping for the re-election of the President and the triumph of his party. The elections in Vermont and Maine in the early autumn were unerring forecasts of the general result in November. After a remarkably active and thorough canvass, which was kept singularly free from personalities and partisan defamations, and in which both sides were well supplied with money, Protection was master of the field.

The precise result of the election was the recovery of Indiana and New-York by the Republicans, all the remaining States voting as they had done in 1884. These two States, carried respectively by pluralities of 2,318 and 14,573, transferred fifty-one votes in the Electoral College, Harrison receiving 233 to 168 for Cleveland. With the exception of Connecticut and New-Jersey, the North was united in defence of its industries. In the South there can hardly be said to have been a popular election. Save in a few instances the Democrats increased their majorities in their own States, and the Republicans theirs in the States which had been carried by Blaine. The total vote was 10,660,650, Cleveland having a plurality of 95,025 over Harrison on the popular vote. The Prohibition vote was 245,705 against 150,369 in 1884; and the Union Labor vote, 141,902, a loss of over 33,000 in four years. The House of Representatives in the 51st Congress will comprise 166 Republicans and 159 Democrats, with a strong probability that the majority will be increased when contested seats are decided. The Senate will remain as in the 50th Congress, thirty-nine Republicans and thirty-seven Democrats. The Republican Senator lost in Virginia will be replaced by John S. Warner, and possibly an additional seat will be made in West Virginia, where the Legislature is very close. The general result of the election was not in doubt six hours after the ballots were cast, and was immediately acquiesced in by the defeated party. The President was, perhaps, less philosophical than his followers, for his Message sent to Congress on December 3 exhibited the soreness of a discredited politician. Because the policy which he had forced his party to adopt had been rejected by the people, he considered himself justified in denouncing the greed and avarice of manufacturers as a class, and the tyranny of corporations, trusts and monopolies, and in berating sixty millions of people for neglecting to appreciate the statesmanship and patriotism of his Administration.

DIPLOMACY OF THE YEAR.

The diplomatic career of the Administration, inglorious from the beginning, has been confined on the two lines of servility to great Powers and overbearing aggressiveness toward petty States. With Great Britain a Fisheries treaty was negotiated on February 15, after the President had been warned by the Senate against arbitration and armed by Congress with adequate powers of retaliation. As soon as the text was published it was condemned by ex-Judge Woodbury, R. S. Spofford and Mr. Trevelyan, three Democratic champions of American fishing rights, as a dishonorable compact involving (1) the surrender of everything for which the United States had been contending since 1858, when disputes respecting the three-mile limit arose; (2) the abandonment of the commercial privileges on which Secretary Bayard and Mr. Phelps had grounded the American case in their diplomatic correspondence; (3) humane treatment of shipwrecked crews and vessels in distress—a concession voluntarily made on all except barbarous coasts; (4) condonation of a campaign of outrage in which 2,000 vessels had been boarded and 400 seized, harassed and subjected to expense and annoyance; (5) the ultimate repeal of duties amounting to \$600,000 annually as an adequate compensation for license to buy supplies worth perhaps \$50,000. The treaty was debated for twenty-three hours in open session of the Senate, and was rejected in August by a strict party vote.

The consideration of the Extradition Treaty had previously been deferred until December, and strenuous efforts were made on the Democratic side to secure a single postponement of the Chamberlain-Bayard convention, so as to exempt it from partisan criticism before election. As soon as it was rejected the President exposed the insincerity of this policy by sending to Congress, for editorial effect, a message recommending the immediate enlargement of the powers conferred by the Retaliation act so as to enable him to deprive Canada of bonding and transit privileges in and from American ports. A subsequent indiscretion on the part of Lord Seckville, in answering a letter addressed to him from California on the political duties and interests of British-Americans afforded another opportunity for an electioneering manoeuvre. The British Minister, after ten days of vainglorious, was summarily dismissed in response to importunate demands from campaign headquarters for action that would prevent a general stampede of Irish voters. Lord Seckville's successor has not been appointed, the British Government having rendered the unpleasantly haste with which their representative was sent home. Another political manoeuvre was the legislation enacted with precipitate haste when the treaty prohibiting the immigration of Chinese laborers for twenty years was rejected at Pekin in October, after having been ratified at Washington in March. These measures are designed to prevent the return of such immigrants when they leave the United States, and also to prohibit the issue of certificates of identity.

The State Department's protests against German intrigue in Samoa have been as nerveless as its defence of American maritime rights on the Dominion seaboard. King Mafeta, who was deposed and transported to the Chambers for following the advice of the United States and British Consuls, has been supplanted by King Tamasese, chief of the rebel forces, who had been supported by the German fleet. The followers of the former

King revolted against the new Government, and under the leadership of Matafai, fought several battles. The civil war which still continues in the islands is to be attributed directly to German intrigue against Mafeta, with whom the United States Government had made treaties, pledging itself to employ its good offices as a mediator whenever serious differences with any other Power should arise. Prince Bismarck's cavalier treatment of Secretary Bayard's feeble remonstrances is one of the cynical humors of the year's diplomacy. But then, Germany is a great Power with which the State Department does not venture to take liberties. Its spasmodic displays of energy are reserved for weak States which cannot resist them. There was a miniature naval demonstration on the coasts of Morocco, when two Mohammedans under the protection of the United States Consul at Tangiers were imprisoned, and the foreign Consuls were called in to settle the controversy. There was a similar exhibition of naval force in December, when Admiral Luce was sent to Haiti to demand the surrender of the steamer *Hartien* Republic, which had been seized by the provisional Government of Legitime for ignoring a flimsy blockade of the ports held by the hostile faction headed by Hyppolite. The vessel was restored to its owners without a struggle. A wiser and more statesmanlike policy is the revival of Mr. Blaine's project for a conference of American States in Washington during 1889. Congress has authorized the President to invite Brazil, the Republics of South and Central America, Mexico and the West Indian Republics to send representatives to this international council, which will be empowered to devise a plan of arbitration for the settlement of disputes without warfare, and to promote the improvement of business intercourse by the adoption of uniform systems of coinage, weights and measures, customs regulations and mail communications.

In domestic administration the most creditable achievement has been the progress made with the construction of the new Navy. Several cruisers and gunboats, which give promise of high speed, have been launched, and the industries requisite for the production of gun metal and steel armor have been established on American soil. A dynamo-cruiser has also been completed. In the States the most noticeable features of legislation have been practical temperance measures and High License bills, ballot reform schemes, and in New-York the substitution of electricity for the gas-bell. Socialist agitation has continued in Chicago, twelve dynamite bombs having been discovered on July 17, with proofs of a conspiracy for the destruction of many public buildings. Dynamite was also used in one of the railway strikes, but Anarchists on the whole find America a most unpromising field for their operations. Yellow fever devastated the population of Jacksonville in the summer and autumn, having been introduced from Cuba by way of Tampa. While there were thousands of cases in Florida, the disease was not particularly malignant, the proportion of deaths not being high. Typhoid fever has made terrible ravages in Northern cities, the apparent cause being the unusually rainy summer and autumn, which followed the famous March blizzard.

THE BUSINESS YEAR.

Business has been wonderfully well sustained during the year, when all that has occurred to cause depression is considered. Looking back one finds that there was almost constant complaint of dullness, and the course of prices excited general disappointment; yet the aggregate volume of transactions was surprising, large, and exclusive of speculation in stocks, probably larger than in any preceding year. The continual complaint of inactivity was clearly due in the main to disappointment of extravagant anticipations. When it is considered that the year was interrupted by a Presidential election of unusual excitement, and that business was affected by a partial failure of the wheat crop and injury to cotton, by agitation of the tariff question, by unprecedented storms in March and outbreaks of yellow fever at the South during the fall, by strikes and railway wars of unusual magnitude and duration, and by numerous failures of importance in this country and in Europe, it is strange indeed that the volume of traffic and of sales has been so large.

The one influence which more than any other controlled operations, first checking and depressing business and afterward stimulating it, was the agitation of the tariff question and the defeat of Free Trade. With President Cleveland's amazing tariff message fresh in the public mind, the agitation continued to depress manufacturers for six months. No action by Congress resulted: a bill passed the House which would have cut off more than one-third of the duties of a protective character; but the Senate had already begun to prepare, through its Finance Committee, a measure in harmony with the protective policy, which was afterward reported as a substitute and discussed until the long session ended. Early in June, when it was considered probable that great changes in the rate of duties might be made, the depression in industries reached its maximum. The extent of that depression may be inferred from two records, showing the weekly output of anthracite and coke pig iron about the first of each month, and the average price of 108 qualities of wood quoted by Coates Brothers' circulars:

	Jan. Wood	Jan. Wood
January	321,205	23.2
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Part of the decrease in iron output in January and February was due to the great strike of Reading and Lehigh Valley workers, which ended on the former road in the first week of February and on the latter after six months of endurance in the second week of March. No other labor difficulties approached these in importance and duration, and the defeat of the Reading operators through the influence of Knights of Labor, it was held, led to the speedy defeat of the organization at Haverhill and the strike on the latter in their most important struggle—a strike on the Chicago, Burlington and Quincy and some other Western railroads in July.

The controversy which was settled in March, the "tariff is a tax" and the "tariff is a tax" were the new conjuring phrases. The Democratic House had loyally supported the President's policy and embodied his crude economic theories in the Mills bill. The party was equally submissive when it met in June at St. Louis. In its platform it accepted his message as the correct interpretation of the tariff struggle adopted by it in 1884, and renominated him by acclamation. He had already selected Judge Thurman as his associate on the ticket, disappointing the ambition of Governor Gray of Indiana. When his will was registered by the Convention, the redemption of the country from the evils of excessive taxation was proclaimed as the glorious mission of the Man of Destiny and the Noble Old Roman. Judge Thurman's services had only received recognition for the purpose of dignifying the scandalous telephone suits instituted by the Department of Justice, described by Mr. Randall as the Sink of Justice. The United States Supreme Court had rendered in March a decision covering all issues of law and fact and confirming the Bell patents. Judge Thurman after his nomination appeared for the Government and the telephone speculators, and secured the privilege of reopening the case in Boston.

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DEPENDENCIES OF THE EMPIRE.

The British Empire has been enlarged in Asia and Africa. A protectorate was proclaimed in October over the whole of the north part of Borneo as far as the Dutch line. In Sikkim, on the northern slopes of the Himalayas, there has been a little campaign. During March the Tibetans were dislodged from two forts by a British-Indian force. They subsequently rallied and attacked the garrisons, but were repulsed. The valley was cleared of hostile natives in October, the villages were burned and the crops destroyed.

His success is problematical, since he has alienated thousands of moderate Republicans, especially by his proposed income tax, which is a favorite of the lower class. The extremists, who have been shouting for Boulangerism without knowing what they wanted. The collapse of the Panama Canal Company after the failure of the lottery loan has been a severe blow to the Ministry and the Chambers. General Boulanger lost no time in bidding for the votes of the 800,000 shareholders whose savings have been swept away.

The depression in March immediately preceded the passage of a bill authorizing the Treasury to employ surplus money in the purchase of bonds, and reflected the anxiety then prevailing in speculative circles lest severe monetary pressure might be at hand. So little actual scarcity of money existed that the highest prices of the entire year for commodities happened to be made on the same day. A rapid improvement in stocks was presently checked by railroad wars, which have been more serious, widespread and injurious to business than in any other recent year. Resulting mainly from the construction of many competing lines at the West, these struggles have within the past month been nominally terminated by agreement, which, however, few expect to see endure. About the middle of June interest rates began in stocks, coincident with the depreciation of the Treasury to purchase bonds and extract the currency. During the months preceding the election enormous sums were added to the circulating medium, less than \$1,000,000 being poured into one week, the third of October. But the record of prices shows that the maximum for stocks had been reached about the end of September, and that prices of commodities ranged remarkably little during the rest of the year. The great advance when wheat began falling by decline in many manufactured articles, in men, of which the crop exceeded 2,000,000 bushels, and eventually, through collapse of speculation, in most of the products controlled by the exchanges.

The expansion of currency reached its height with the election, and there has since been a gradual decrease. During the entire year money has been abundant at nearly all interior points, and the demand upon this city less than usual. Gold exports occurred in April, and again in November and December, partly on account of foreign realizing on securities, and of late to meet demands from South America, but not in amount sufficient to cause disturbance. The number of failures during the year has been large, exceeding that of 1887, but while some have been important, the average of liabilities has been reduced, especially during the last half of the year. On the whole, in view of many influences tending to depress legitimate trade, the industry and commerce of the country have been less seriously affected in 1888 than in most other Presidential years, and the decision of the people in favor of the policy of protection has given to industries confidence with which to begin the new year.

FRANCE.

In France history seems to be repeating itself. The third Republic is apparently drifting towards the rocks of military dictatorship and usurpation of power on one side, and the second Republic is wrecked. Now, as in 1851, there is widespread discontent with existing institutions; there is an anomalous agitation in favor of constitutional reform; there are warring factions of Monarchists, Bonapartists, Clericalists and Extremists who are eager for a revolution, and willing to work together; and there is in General Boulanger a political adventurer resembling Louis Napoleon. He too is an avowed candidate for the Presidency, notwithstanding his failures in the Chamber of Deputies he is supported, as Louis Napoleon was, by a great popular constituency recruited from the discontented classes. He affects patriotic impulses, and disclaims a policy of intrigue and usurpation; but the restless force of his own ambitions, and the antagonistic forces of reaction, solid revolt and greed which are behind Boulangerism, give warning that a new revolution will be fraught with danger to France.

Two Ministries have made ineffectual attempts to discredit and disgrace General Boulanger. When the constituencies began to vote for him early in the year the Tirard Government relied him from active duty in the army for visiting Paris three times without permission, and subsequently retired him. He enlarged at once the scope of his political operations, and became a candidate for Deputy in two Departments, carrying Dordogne by a majority of nearly 20,000, and Nord by 96,000 majority. In Alsace and Aude Boulangerist nominees were also elected. The new Deputy attended two sessions of the Chamber, proposing on June 4 an unrestricted revision of the constitution, and on July 12 demanding the dissolution of the national legislature. On each occasion his demonstration against Parliamentarism was a fiasco, his assertion that he had received a direct mandate from the people being met with jeers and insults, and his proposals being rejected by a vote of two to one. Mr. Floquet, who had succeeded M. Tirard as Premier, resented a personal affront, and challenging General Boulanger to a duel, completed his discomfiture by wounding him in the neck. Boulangerism appeared to be a season to be rapidly ebbing.

Radical action deserted the cause; dissensions broke out in the central committee; an Opportunist candidate was elected in the Charente, and General Boulanger himself was defeated in the Ardennes. When the Chambers adjourned in July a speedy collapse of the movement was confidently expected. On August 19 the Republican leaders discovered that their rejoicings had been premature. General Boulanger secured enormous majorities in the Nord, the Somme and the Charente Inferieure. The Conservative factions had put themselves behind him, in the desperate hope of profiting by the temporary establishment of a military despotism. Capitalists had contributed liberally to his campaign fund. Popular discontent had welcomed him as the evengel of change and better times.

These triumphs of Boulangerism forced M. Floquet to take up the question of constitutional revision. By a coalition between the Radicals and Conservatives the Tirard Ministry was overthrown on March 30, after having been seriously weakened by the rejection of the colonial estimates in January, and its refusal to sanction the law for a fixed time; and M. de Lesseps had staked his last hope of completing the Panama Canal. M. Floquet formed a Ministry with M. Goblet in charge of Foreign Affairs, M. Portal at the Treasury, and M. Brialmont in the War Department. As the Ministry represented the Radicals mainly, it received notice promptly from M. Ferry that it could be defeated any day by a coalition between the Opportunists and Conservatives. This warning took the form of the election of M. Melme over M. Clemenceau as President of the Chamber. M. Floquet had advocated Revision in the Ministry, but afterward he abandoned the Ministry of Opportunists opposition he deferred action on this burning question and carried through the Chambers two measures of practical utility, one for the reorganization of factory labor laws, and the other for delegating the responsibility of employers for accidents to workmen. The Panama Canal lottery bill was also passed, and the financial budgets were disposed of with unusual facility. He Boulangist agitation was confined to a few localities, but he could not safely postpone his original project. The Revision agitation had become so dangerous that he must meet it head on. He did so in August, and carried off a great victory. The Chambers reassembled in the autumn, he brought forward his plan of Revision. His proposals were of a radical nature. The President was to be deprived of the right of dissolving the Chamber of Deputies. The Senate was to have only a suspensive veto for two years in general legislation and an empty privilege of remonstrance in financial affairs. The responsibility of Ministers was to be placed on the Chamber. All measures were to be submitted to a Council of State. Ministers were to be elected by a joint vote of the Chamber and the lower House was to be renewed by thirds every two years. The project was designed to disable the Executive

mind and does not waver; and that is an invigorating exhibition for Englandmen.

DEPENDENCIES OF THE EMPIRE.

The British Empire has been enlarged in Asia and Africa. A protectorate was proclaimed in October over the whole of the north part of Borneo as far as the Dutch line. In Sikkim, on the northern slopes of the Himalayas, there has been a little campaign. During March the Tibetans were dislodged from two forts by a British-Indian force. They subsequently rallied and attacked the garrisons, but were repulsed. The valley was cleared of hostile natives in October, the villages were burned and the crops destroyed.

His success is problematical, since he has alienated thousands of moderate Republicans, especially by his proposed income tax, which is a favorite of the lower class. The extremists, who have been shouting for Boulangerism without knowing what they wanted. The collapse of the Panama Canal Company after the failure of the lottery loan has been a severe blow to the Ministry and the Chambers. General Boulanger lost no time in bidding for the votes of the 800,000 shareholders whose savings have been swept away.

The depression in March immediately preceded the passage of a bill authorizing the Treasury to employ surplus money in the purchase of bonds, and reflected the anxiety then prevailing in speculative circles lest severe monetary pressure might be at hand. So little actual scarcity of money existed that the highest prices of the entire year for commodities happened to be made on the same day. A rapid improvement in stocks was presently checked by railroad wars, which have been more serious, widespread and injurious to business than in any other recent year. Resulting mainly from the construction of many competing lines at the West, these struggles have within the past month been nominally terminated by agreement, which, however, few expect to see endure. About the middle of June interest rates began in stocks, coincident with the depreciation of the Treasury to purchase bonds and extract the currency. During the months preceding the election enormous sums were added to the circulating medium, less than \$1,000,000 being poured into one week, the third of October. But the record of prices shows that the maximum for stocks had been reached about the end of September, and that prices of commodities ranged remarkably little during the rest of the year. The great advance when wheat began falling by decline in many manufactured articles, in men, of which the crop exceeded 2,000,000 bushels, and eventually, through collapse of speculation, in most of the products controlled by the exchanges.

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THE MILITARY EMPIRES.</